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REPORT R-158

THE NATIONAL INDICATIONS CENTER
AND THE WARNING PROCESS (U)

Thomas G. Belden, *Project Leader*

July 1969

INSTITUTE FOR DEFENSE ANALYSES
SYSTEMS EVALUATION DIVISION

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REPORT R-158

THE NATIONAL INDICATIONS CENTER AND THE WARNING PROCESS (U)

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July 1969



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FOREWORD

25X1 [redacted] Although all members of the project participated in all phases of the study, certain elements of the subject have become the particular interest of individual analysts. To take advantage of the wide diversity of backgrounds and interests among project members, various sections of the report have been done by the individual most interested in that area. No effort has been made to make all sections conform to a standard, impersonal committee-prose style, since it is felt that no value, and possibly some damage, would result. The very nature of the subject argues for diversity of point of view.

(U) The project members wish to thank the many people and offices who have been generous with their time and help during the course of this study and, in particular, [redacted]

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[redacted] and his staff in the Office of the Director of Central Intelligence, who have been helpful in making arrangements for interviews and for access to information; and Mr. Huntington Sheldon and the members of the USIB Watch Committee and their agencies, who have helped us to learn about the flow of information throughout the community. Especially, we want to thank the management, analysts, watch officers, staff, and Director of the NIC, [redacted] who have been patient in letting our project members work alongside them while we were learning, and who have been unfailingly cooperative and candid in helping us to understand their work. We also wish to thank General Charles P. Cabell, [redacted] and Mr. J. J. Hitchcock, all of whom have been intimately associated with the development and early operations of the Watch Committee and the National Indications Center.

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SYNOPSIS

A. ORIGIN OF THE STUDY

25X1 [] In mid-January 1969 IDA, at the request of the Director of Central Intelligence, agreed to undertake a study at the National Indications Center (NIC). This study (a six-month effort) is primarily one of defining the broad problems of the NIC and its function within the government. The scope includes study of the origin of the NIC, current operations, and future functions.

(S) The basic study questions agreed upon in the proposal¹ were:

- Study of and participation in the on-going activities of the NIC for the purpose of understanding current systems, operations, and techniques.
- Development of an understanding of information flow in the NIC environment including internal flow, operating procedures and indicator lists; and the role and relationship of the NIC within the intelligence, foreign affairs, and military community.
- Study of existing message and incident analysis techniques.
- Development of a perception of pertinence of computer technology to the development of warning.
- Recommendations for Phase II of the study activity.

25X1 [] Other considerations which might be studied included data processing, Community On-line Intelligence System (COINS)

¹Proposed Study for the Director of Central Intelligence on Operations and Procedures in the NIC, dated December 10, 1968, from IDA to Director, CIA.

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utilization in NIC operations, new or modified communication systems, data formats, analytical technique, and research recommendations.

B. METHOD OF APPROACH

25X1 [redacted] This study has had no access to information at the national policy level, nor have we been able to conduct interviews with current intelligence users at that level. Given these constraints our views are limited to our observations below that level.

25X1 [redacted] Our investigations began with extended observations of the operation of the NIC watch during both day and night duty hours. The next step was to interview individually each analyst, and the director, deputy director, and chief of the watch alert group in the NIC. We observed the Watch Committee proceedings during each of their regular weekly meetings for a period of five months and attended several pre-watch meetings of the NIC analysts.

25X1 [redacted] A special point was made to observe the watches of those agencies which interface with the NIC, which included standing watches at the major Watch Committee member agencies (CIA, NSA, DIA, and State). (Some members of the study were in two watch centers the night of the EC-121 incident.) We also interviewed analysts in each of these agencies. Again, our observations were conducted both during the day and at night.

25X1 [redacted] Other extensive interviews were conducted with people who had knowledge of the NIC because of their relation to it as originators, past directors, and users. Policy makers and other users of warning information were not interviewed.

25X1 [redacted] Three previous studies of the NIC -- Automation and the NIC, Thompson-Ramo-Wooldridge, Inc., Nov. 12, 1962, TOP SECRET; Report on Strategic Warning, Benjamin R. Shute, Chairman, Feb.

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1967, TOP SECRET; and Intelligence Procedures and Crisis Reporting, CIA, Oct. 15, 1968, TOP SECRET -- were also surveyed by each member of the project. In the case of the Shute report, we deliberately instituted a procedure for seven of the nine project members not to read the report until after their investigations were virtually completed so that our findings would be less encumbered by preconceptions. The CIA Report of October 1968 was also reviewed after our information collection was essentially completed.

25X1 [redacted] Whenever feasible in this report, we offer a spectrum of alternative solutions to specific problems. If we feel competent to recommend any single alternative (or combination), we do so. Where we believe we cannot make specific judgments on alternatives without further study, we so indicate. We also allow ourselves tentative conclusions which might be modified by further study.

C. BACKGROUND

25X1 [redacted] One of the most striking findings in our study was the great variety of perceptions held in the intelligence and national security community as to what the function of the National Indications Center (NIC) is, whom it serves, and the scope of its activity. This disparity in views is perhaps only the symptom of a more serious problem: What is the warning process? Who is in charge of what parts of it? What is its scope in terms of world geography and type of conflict?

25X1 [redacted] The official mission of the Watch Committee is "To provide the United States Intelligence Board with the earliest possible intelligence warning of, and a continuing judgment on, Sino-Soviet Bloc intentions to engage in aggressive action by regular or irregular armed forces."¹

¹DCIC No. 1/5, dated 23 April 1965, paragraph B.

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Two key words in the mission statement are warning and intentions. In a problem definition study of this type it is important to describe our concepts of these terms as well as the concept of indications. These concepts are broad and not confined to the intelligence community. What follows in this section is not a description of how the NIC currently operates but rather a way of thinking about the warning-indications function.

1. The Warning Process

25X1 [] There are wide variations in the use of the term warning. We hear of such terms as strategic warning, tactical warning, military warning, political warning, and long-term warning. For the purpose of this report, we shall treat the warning process as the collection of indicators of potential hostile action, making an analysis from them, and promptly alerting a decision-maker to consider taking or withholding an action. The warning process can be further delineated in terms of geographic scope, type of conflict, and time constants. In addition the process must take into account the echelons it serves in government up to and including the President, according to the urgency and gravity of the situation.

25X1 [] A narrower definition may be taken as the transmission to a senior decision-maker of a simple message to "look out or something can or will happen." Warning in this sense is little more than information with a timely red flag attached.

25X1 [] Regardless of the variety of definitions, the timely convergence of information is critical to the warning process. The analysis of the information normally results in a judgment that a prospective enemy does or does not have the capability and intention to take hostile actions, which may adversely affect U.S. security and interests. Warning judgments are necessarily characterized by some degree of equivocality.

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More than one interpretation of the information available at any given time is often analytically justified.

25X1 [] The analysis, or analyses, are next transmitted to the decision-maker to alert him to choose a course of action from many action alternatives usually furnished by his staff. His choices usually include a scale of actions ranging from "drastic" down to no action at all. There is a vital relation between the scale of action and the equivocality of the warning judgment. It is dangerous, for example, to take drastic action based on highly equivocal analytical results.

25X1 [] Once an action is taken, it becomes a potential warning indicator to the opponent. We sometimes desire our action to be a form of communication to the opponent; at other times, we want our actions to be perceived as ambiguously as possible. In any case, the opponent is likely to take our action as an indicator and to go through the same process to arrive at a decision and a responding action.

25X1 [] Thus, the warning process is a cycle of indications to us and to our opponent. Its cyclical nature illustrates the importance to the intelligence analyst of knowing about our own decisions and actions as well as those of our opponent. The problem of converging such information is greater than one might first suspect. The sources of relevant intelligence and information about U.S. policy decisions and military and intelligence operations are scattered throughout many agencies, and interdepartmental communication is often faulty. By convergence, we do not intend to imply that every piece of information from all agencies of the intelligence and operations community must continuously pass to a single point, but rather to suggest that the timely and appropriate selection and transmission of information to one point is critical to the warning process. The warning agency should also be able to seek information.

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[redacted] At the level of actual operations there is currently considerable ambiguity about who is responsible for which functions in the warning process. The National Intelligence Estimates are clearly the vehicle for long-range estimates, but as one moves toward a critical development or event, responsibilities become more confused. What is the division of responsibility between the indications function and the current intelligence function and between the intelligence and operational communities? What should the scope of the warning function be? What should the scope of the NIC's responsibilities be, or those of a new agency absorbing the present responsibilities of the NIC?

25X1

[redacted] The confusion about responsibility is not confined to the NIC. It was interesting to observe during the April 1969 North Korean incident involving the EC-121 aircraft that no one was fully responsible for or cognizant of all elements of the situation, even though all the major Watch Committee agencies (State, CIA, DIA, and NSA) were involved. In addition, the National Military Command Center (NMCC) and Joint Reconnaissance Center in J-3 were also caught up in the matter. The NIC had perhaps as great a variety of data bearing on the incident as any agency in Washington. As the designated center for converging warning indicators, it might have seemed logical to expect the NIC to have taken the lead in assessing the implications of the incident in the broader context of Soviet, Chinese, and North Korean behavior. But, the NIC did not assume that role. It assumed that the incident fell below the threshold or fell outside the scope of the Watch Committee's responsibilities and interests. Furthermore, it seems significant that other elements of the national security community did not make substantial demands on the NIC for warning assessments or any service of convergence.

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2. The Process of Indications Analysis

25X1 [redacted] The process of deriving warning from an analysis of indicators is difficult at best. Indicators consist of a variety of both long- and short-term military, political, economic, and other information which are expected to provide clues as to what types of initiatives or actions an opponent might take. At this point, we will examine what kind of process he must go through to take an action and the problems that the warning analyst faces in trying to determine the options still open to the opponent at any given point.

25X1 [redacted] Making a decision is a process that includes the selection of one out of several alternative courses of action. In fact, a good decision-maker will try to reduce his alternatives gradually in a series of decisions and maintain as many alternatives for as long as he can. This not only allows last minute changes in a course of action but also leaves his opponent confused as to which action might take place (the basic ingredient of surprise). A classic example of this practice was the Czech crisis in the summer of 1968. The Russians decided to try a series of limited measures such as Army maneuvers in Poland, movements toward the Czech border and diplomatic meetings before resorting to invasion. If the Czech leadership had yielded to Soviet pressures earlier, the option of invasion might not have been exercised.

25X1 [redacted] Warning analysts tend to arrive at judgments about an opponent's intentions and capabilities by a process of elimination. They estimate whether or not his options have been reduced to the single choice of initiating hostilities. Such estimates are usually based on fragmentary and often ambiguous information about an opponent's behavior and obviously involve a substantial element of risk, even under ideal conditions.

25X1 [redacted] A question naturally arises that involves the pivotal relationship between capabilities and intentions: When in

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such a decision process is there a valid basis for concluding that an opponent definitely intends to initiate specific hostile actions, which he is capable of taking? If he is still at the stage of gradually narrowing the range of feasible alternatives, it is questionable whether a unique intention can be validly attributed to him until he has made his ultimate decision. It will normally be the action itself that reveals his final decision and intent. Furthermore, an enemy military action may first become apparent at some point of contact that involves a relatively low echelon in the U.S. chain of command. For this reason a warning system must be sensitive to information which might originate at the lowest levels of command and which might impose severe time constraints.

25X1

[redacted] The preceding discussion has examined the concepts of the warning and indications processes. These concepts do not necessarily describe how the function of warning and indications is currently carried out. The following section outlines both the evolution and current practice of the NIC/NIC.

D. SUMMARY

1. Scope of the NIC¹

25X1

[redacted] Over the past 15 years of the NIC's existence, the scope of its activities has broadened. In 1955 the NIC's attention was supposed to be focused primarily on hostile intentions of the Soviet Union; but, as other critical developments occurred, the scope was changed in practice to include the Soviet Bloc, China, Middle East and other areas.

25X1

[redacted] Not only has the geographic scope changed, but the type of conflict attracting the attention of the NIC has also changed. The NIC has moved from its early concentration on situations which might lead to confrontations with adversaries capable

¹See Chapter II.

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of nuclear war to the inclusion of situations which might lead to initiation or employment of other types of conflict.

25X1 [redacted] The formal statements of the NIC's mission, however, do not reflect these changes. Determination of the current scope of the NIC's responsibilities would dispel the confusion of perceptions as to what the scope of attention of the NIC really is.¹

25X1 [redacted] If it is determined that responsibility of the NIC should be global in scope and that it should be interested in all types of conflict which could have a bearing on U.S. policy, then the mode of operation of the NIC might also change. If a major disturbance is detected in some geographic area by the NIC's worldwide coverage, then the NIC would mobilize the intelligence community, focus on that particular event for as long as necessary, and aggressively seek more detailed information on that sector of disturbance.

2. Origin and Evolution²

25X1 [redacted] The Watch Committee was formed in January 1951 shortly after the Chinese intervention in Korea, replacing several more limited warning groups in the agencies. The NIC was formed in 1954. The intent was to create a point of rapid convergence of warning information in the intelligence community, which consisted of several agencies in addition to the CIA. Figure 1 shows the growth of several more agencies since the founding of the NIC. It would appear that if the NIC were justified as a convergence point in 1954, the reason for its existence today is increasingly justified. The figure does not show the relative sizes of the new organizations in comparison to the NIC. While the other intelligence operations have generally grown larger, the NIC has remained essentially constant in size. In short, the trees of the forest around the NIC threaten to shade it out of existence.

¹See Section E in this Synopsis, which discusses NSAM 226 and DCID 1/5, the basic documents establishing the NIC mission.

²See Chapter III.

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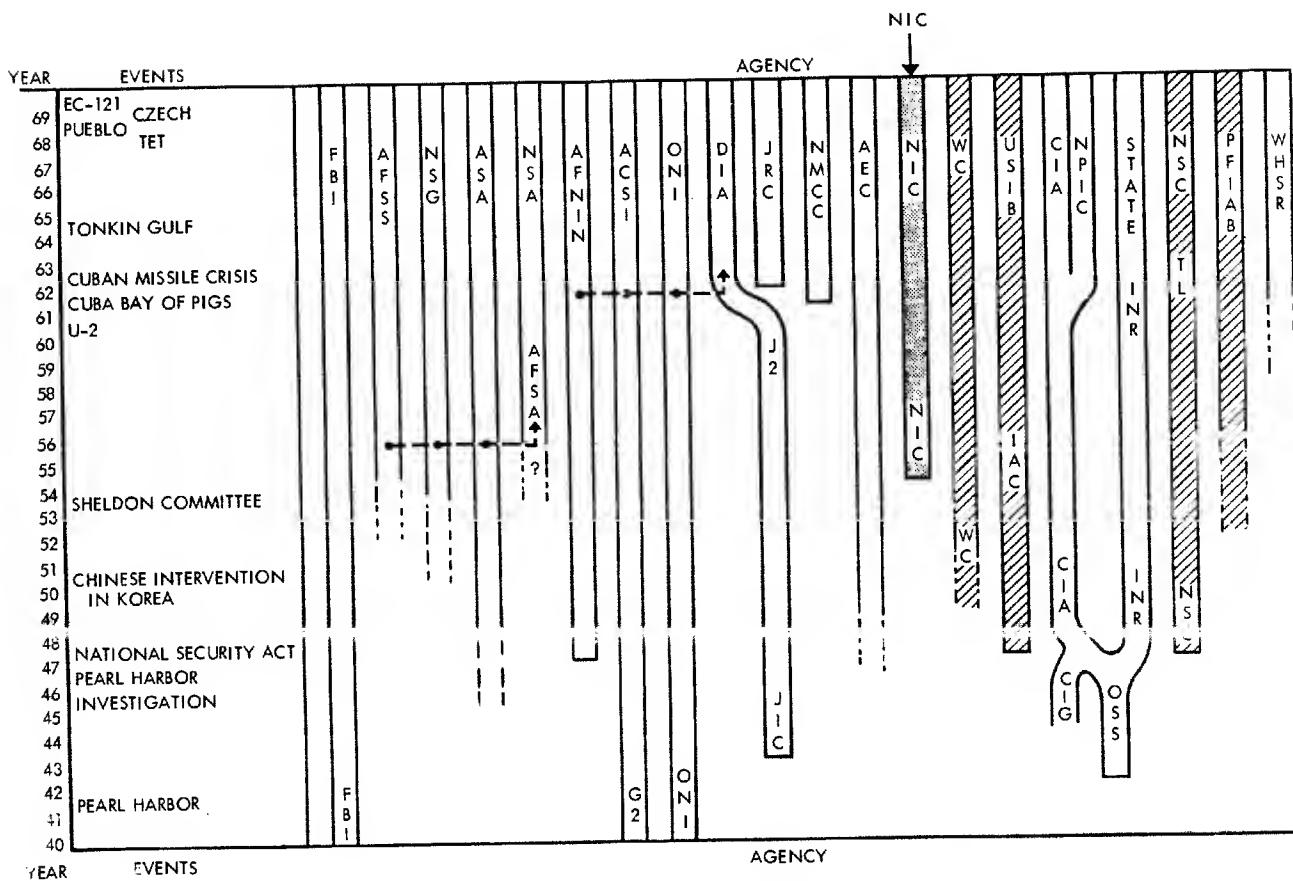


FIGURE 1. (U) The Forest Around the NIC (U)

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3. Internal Operation of the NIC¹

25X1 [redacted] Physically the NIC is a small complex located in the Pentagon. It has a staff of 32 military and civilian personnel and an annual expenditure (not including floor space) of about \$400,000, far less than most of the other operations centers we have observed. Its equipment is meager and consists of some secure telephones, some wire service printers, and a pneumatic tube to the Defense Intelligence Agency (DIA), the relay point for virtually all messages transmitted electrically to the Pentagon for delivery to the NIC.

25X1 [redacted] The primary function of the NIC staff is to prepare the draft of the weekly Watch Committee Report. This function absorbs most of its energies. On Friday the NIC delivers the agenda of items of interest for the weekly report to the Watch Committee agencies (i.e., CIA, State, DIA, FBI, and AEC), some of which transmit it to the field. On Monday the NIC begins to prepare the draft of the report which is distributed to members of the Watch Committee for their comments (prepared on Tuesday). On Wednesday morning the members of the Watch Committee meet at the NIC and discuss the draft. Guided by their chairman, the Watch Committee approves an agreed draft report which is sent to the USIB for approval on Thursday. On Friday the USIB publishes the document for the policy-level intelligence consumers and the NIC prepares the agenda for the following week, thus starting a new cycle.

25X1 [redacted] Although special meetings of the Watch Committee are called to consider particular events, we are aware of only two such meetings since July 1968.

25X1 [redacted] The weekly report of the Watch Committee is an "agreed" position, which gives the impression of the unanimity in the intelligence community that often, in fact, does not exist. Although DCID No. 1/5 provides any member of the Watch Committee

¹See Chapter IV.

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a mechanism for dissent (or "footnotes"), it has been used perhaps as few as three times in the WC/NIC's 15-year history.

4. The NIC's Relation to the National Security Environment¹

25X1 [redacted] The NIC's dependence on the DIA for information is noted above. The only other major inputs, besides telephone and the news service teletype receivers, are through courier services from other agencies. In the course of our visits to the other watch centers, we observed that most were better equipped and more extensively staffed than the NIC. Most of them had extensive communication networks of their own connecting them to other 24-hour watch centers.

25X1 [redacted] A watch center, as we are using the term, is a 24-hour operation which processes information. We are not counting duty officers or centers concerned solely with the technical aspects of communications, such as those of the Defense Communications Agency. So far we have identified nearly 100 watch centers in the U.S. intelligence and military communities, about a third of them in the Washington area, and there are probably many more. We have found no study or list enumerating all watch centers. Such a study would reveal the central nervous system of the national security establishment and would be critical to the assessment of the NIC's place in the national security environment.

E. CURRENT MISSION DIRECTIVES

25X1 [redacted] The current documents which establish the WC/NIC and its position in the national security structure are NSAM 226 (1963) and DCIC No. 1/5 (1965). These documents give adequate general guidance and authority to implement the WC/NIC although

¹See Chapter V.

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they do not spell out in detail how the functions are to be performed. Among other things these directives empower the WC/NIC to:

- (1) Have access to almost any source of information, including "...all information and intelligence of reasonable credibility pertinent to its mission..." and "... [information on] significant diplomatic, political, military or other courses of action by the U.S..."¹
- (2) Call on USIB agencies for immediate as well as long-term analyses.²
- (3) Request information from any USIB member agency or other "appropriate departments and agencies of the Government..."³
- (4) Formulate "intelligence collection requirements and [recommend] priorities as necessary."⁴
- (5) Review "the capability of the intelligence community to provide warning information."⁵
- (6) Recommend "improvements in substantive analysis and techniques" within USIB member agencies.⁶

25X1
[redacted] Given the two directives the WC/NIC does not suffer from a lack of authority to carry out a broad mission. The only ambiguity which might arise from the directives lies in their repeated reference to the "Sino-Soviet Bloc." In practice,

¹NSAM 226, February 27, 1963, Paragraph 1, a and b.

²DCID No. 1/5, April 23, 1965, Paragraphs E,3 and E,4.

³Ibid., Paragraph E,2.

⁴Ibid., Paragraph C,1.

⁵Ibid., Paragraph E,6.

⁶Ibid., Paragraph E,6.

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however, political realignments in the world have been accommodated in WC/NIC by informal agreements.

F. CURRENT PRACTICES

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[redacted] NSAM 226 and DCID 1/5 are adequate to give the current WC/NIC the authority to carry out the mission specified in these directives. In actual practice they are not fully implemented. For example, the information the NIC receives is incomplete. Currently the NIC does not receive [redacted] on a regular basis U.S. diplomatic, policy and military operational information. There is no formal systematic communication with the operational staff of the JCS (J-3), including the NMCC [redacted] and the JRC. There is no provision for informing the NIC, on a regular basis, of U.S. military operations which "might bring about military reaction..."¹ While there is a designated point of contact between the NIC and the National Photographic Interpretation Center (NPIC), there is an inadequate flow of information between the centers. For the past eight years there has been no representative of the State Department in the NIC, which creates information flow problems, particularly between the NIC and the policy area of State. The NIC is limited by procedures which inhibit its ability to seek information from other agencies of the Government. This shortcoming would become particularly apparent in time of crisis.

25X1

[redacted] While implementation of the present directives would improve the current WC/NIC operations, it is recognized that new authorizing documents might be necessary if changes were made in the national warning structure. A subsequent section discusses some of these alternatives.

¹NSAM 226, February 27, 1963, Paragraph 1,F.

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G. MAJOR PROBLEM AREAS

25X1 [] Several major issues have emerged in the course of this study which are of such a broad scope that they are discussed separately here.

25X1 [] The principal issue is the need to understand more precisely the warning function and to define its role in the national security process. The convergence of information into an analysis of the enemy's action alternatives cannot take place without a clear understanding of, and agreement on, the entire warning process. The choice of communications, data processing, procedures, and organizational options all depend on what the warning function is, or should be. The following problem areas are related to the issue.

25X1 1. [] There is a need to redefine the mission and scope of the national warning function.

25X1 [] As discussed in considerable detail in Chapter II, U.S. involvement and interests around the world have changed considerably since the inception of the WC/NIC. The probability of direct confrontation leading to nuclear conflict has lessened, although the likelihood of localized nonnuclear conflicts has increased as exemplified by Vietnam, Korea, and the Middle East. The warning function should monitor a broader spectrum of critical developments, incidents, and crises (in terms of both geography and time).

25X1 [] The National Indications Center is now something of an anomaly among major intelligence and operations centers in Washington. In concept, the centers of other agencies attempt to support the national security process throughout the entire period of any critical incident or crisis from initial detection to termination. The focus of the NIC is limited to making a warning judgment that an attack might be imminent. When an attack begins, the NIC's mission terminates. Its procedures do not provide for augmenting the current staff with the specific

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expertise required to make continuing assessments throughout an emerging situation that develops over time. Furthermore, it is not equipped to support such an operation effectively.

25X1

[redacted] It seems clear that if warning is to be a discrete and separate responsibility, the mission and operation of the WC/NIC must be geared to provide a series of warning judgments throughout the entire period of crisis. In addition, DCID 1/5 directs the WC/NIC "to carry on a continuing analysis of information and intelligence from all sources to identify developments, patterns and trends..."¹ Thus, the warning function may be seen as extending across the full spectrum from current intelligence on one end to long-range estimates on the other, although the function may be shared among several agencies.

25X1

2. [redacted] No single center now is a point of convergence for all intelligence, military operation, and national policy information necessary to the warning function.

25X1

[redacted] If analysts do not have complete access to all relevant information and do not fully understand the influence of U.S. initiatives and actions on an adversary's behavior, the risk of invalid warning judgments is great. We have been unable to identify any place in the Government where information from all sources relevant to the warning function converges fully.

25X1

[redacted] There are currently two major gaps in the information input into the NIC. The most obvious is the lack of military operational information. This should be provided, as NSAM 226 directs, but in fact it is not on the regular and timely basis that is required. In addition, the NIC does not get detailed information on policy matters from the State Department. To try to conduct indications intelligence without knowledge of U.S. plans and policies is to risk an unacceptable degree of uncertainty.

¹DCID No. 1/5, April 23, 1965, Paragraph C,F.

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3. The warning function must be made more responsive to the needs of policy makers.

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In the past 15 years the world situation has changed, as have the primary concerns of U.S. policy makers. However, it is not clear that the WC/NIC has adapted to these changes. In part for this reason, the WC/NIC no longer plays as significant a role in the national security process as some felt that it did in the mid-1950s. The WC/NIC appears to have lost contact with the ultimate consumers of its product and does not receive the feedback from the policy levels that it requires to be truly responsive.

25X1

4. It is essential to determine the proper organizational location in the Government for the warning function.

25X1

Three reasons testify to the importance of positioning the warning function at the proper level in the Government. First, the product of warning analysis must be visible and accessible to the policy makers if it is to be useful. The policy makers must also understand the nature and limitations of warning information and its interpretations. To separate the source of warning from the policy level by many administrative layers is detrimental to achieving these objectives. Second, if the warning organization is to be responsive to the policy makers, it must have access to all relevant information and receive feedback from policy levels. It must be able to draw on substantive knowledge of the intelligence and national security communities and must levy collection requirements. Third, if the function is vested in an existing single agency, it could seriously bias the results. These considerations suggest that the warning function should be independent of the existing intelligence agencies, but able to draw on their particular expertise.

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H. ALTERNATIVES FOR CHANGES TO THE WC/NIC

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In previous sections we have examined the basic documents which specify what the WC/NIC should be, and we have discussed the present mode of operation and its shortcomings. We now examine alternatives for changing the WC/NIC in order to overcome current limitations. Toward this end we considered the full spectrum of major alternative actions which might be taken including the abolition of the function, maintenance of the status quo, changes in the relationship of the warning organization to the community, and steps which might be considered regardless of organizational changes. Choices of major alternatives would, in most cases, require further study, although from our experience with the current system we felt that we could recommend the rejection of several at this time. Within most of the alternatives there are subalternatives which can be considered individually or in combination; those discussed here are illustrative and are not intended to be definitive. It should be remembered that all of these alternatives and subalternatives are not being recommended but rather represent a variety of options.

1. Negative Options

25X1

At one end of the spectrum of alternatives is the abolition of the centralized watch-indicator function, with the options of eliminating the function entirely or decentralizing it into other agencies. Adopting this alternative, particularly if the function is entirely eliminated, is contrary to all crisis experience from Pearl Harbor (and perhaps before) to the present. (Note that we are speaking of the function and not who performs it.) Decentralizing the function is also contrary to the basic concept of the warning process which requires the convergence of a great variety of information (e.g., political, military, and intelligence). Unfortunately the actual trend has been toward decentralization, largely because of the proliferation

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of national security organizations over the past two decades. Our assessment of the current requirement for such a function, reenforced by our review of trends in the national security environment, leads to the conclusion that this alternative be rejected in any form.

25X1 [redacted] Related to the first alternative would be the abolition of the Watch Committee and/or the NIC and the absorption of the function into another agency having primary functions other than warning. This action would at least have the virtue of clearing up the variety of conceptions of what the current WC/NIC is supposed to be doing. Absorbing the WC/NIC function into a constituent agency of the intelligence community would not be impossible but could lead to a dominance by that agency over the watch-indications area -- a dominance which could be disruptive to the objective of community-wide convergence and analysis of information. However, we conclude that some type of independent centralized warning organization, at the national level, is necessary.

2. Maintenance of the Status Quo

25X1 [redacted] Another alternative would be to do nothing to the Watch Committee and/or the NIC, with the options of retaining the status quo in both groups or leaving one or the other in its current form. We consider retaining the WC/NIC as it is to be perhaps the most dangerous of all alternatives. It would perpetuate the confusion that currently exists over the role of the NIC. It would also freeze any development of the NIC to meet the rapidly changing national security environment including new techniques of information collection, collation, and analysis. We would recommend that this alternative be rejected.

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3. Reorganizational Alternatives

25X1 [redacted] In the range of positive actions which could be taken to upgrade the WC/NIC function, we defined three alternatives which might be considered: changes in the composition and procedures of the WC/NIC; changes in its position within the Government; and the creation of a broader organization in which they would be subsumed. These alternatives, we believe, are consonant with the intent of the existing directives of the warning function although some could only be implemented by decisions at the highest level of Government.

25X1 [redacted] A variety of options could be employed to change the WC/NIC composition and/or its procedures. Some of these are listed below:

Composition:

- Upgrade the chairmanship and the rank of members of the Watch Committee.
- Add J-3 and State policy representatives as major members or senior advisors of the Watch Committee.
- Rotate the chairmanship of the Watch Committee on a periodic basis.
- Make the major members of the Watch Committee a permanent watch group devoting most of their time to NIC matters.
- Add an NPIC representative to the Watch Committee. ✓

Procedures:

- Provide a workable mechanism for presenting alternatives to be carried from the Watch Committee to the USIB.
- De-emphasize the weekly cycle.
- Establish procedures for recommending reviews of the NIEs and SNIEs.
- Have the Watch Committee reports indicate that they have taken into account current U.S. intelligence and military operations, and changes in U.S. foreign policy.

Perhaps the most significant change would be generated by making the members of the Watch Committee permanent, which would have a considerable impact on the internal organization

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of the NIC. We believe that all of these options should be considered, but cannot at this time recommend particular selections.

25X1 [] Changes of the position of the warning organization in the Government were also considered. One we examined was having the warning organization report to the National Security Council. This would require major policy decisions and extensive changes. The reason that this alternative was considered is that the NSC is the first place in the Government at which military operational, national policy and full intelligence information formally converge. We feel that this alternative should be considered, but have reached no firm conclusion.

25X1 [] Finally, at the other end of the spectrum of alternatives, is the creation of a center for national warning. This would involve absorbing the NIC/Watch Committee into a broader organization which would include representation from intelligence agencies, policy agencies, and military operations centers. Consideration of this option would require extensive study of the intelligence, policy, and military operations environment, and choices could only be made at highest policy levels. Under this alternative the current WC/NIC would cease to exist. This alternative should be considered, but it would take a major study effort before conclusions could be reached. //

4. Immediate Internal Changes

25X1 [] Regardless of what decisions may be made on organizational changes in the national warning structure, there are internal changes in the current organization which can and should be made now. Some of our specific recommendations in the areas of internal organization, operations, communications, and data processing are included in Section J of this synopsis. While we would urge that these measures be considered and feel that they would substantially increase the capability and flexibility of the WC/NIC, we do not believe they will solve

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the problems concerning the warning function and the position of that function within the Government. These specific changes should not, therefore, be considered a substitute for actions needed to resolve the broader problems.

I. CONCLUSIONS

25X1 [redacted] The most important conclusion of this study is that the mission and scope of the warning function are not now well understood and that responsibilities are ill defined. Until this understanding is reached, no significant improvements are likely to be made in the warning process.

25X1 [redacted] Other conclusions are as follows:

- There are currently a variety of understandings of the missions and functions of the Watch Committee/National Indications Center within the intelligence and national security communities.
- There is now an even greater need for a single point of convergence for warning information than there was when the National Indications Center was formed. This central point, which does not now exist, must have available all relevant intelligence and information on national policy and U.S. military operations.
- Abolition of the centralized watch-indicator function would be contrary to the necessity for the convergence of information relevant to the warning process.
- An independent centralized warning organization at the national level is necessary.
- Absorption of the Watch Committee/National Indications Center into one of the agencies of the community could result in the dominance of that agency over the warning function.
- Retaining the Watch Committee/National Indications Center as it is would perpetuate the confusion that currently exists over the role of the NIC. It would freeze any development of the NIC to meet the rapidly changing national security environment including new techniques of information collection, collation, and analysis.
- The uncertainty inherent in the analysis of indications makes the expression of responsible alternative interpretations a necessary part of the warning process.

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- Within the present context of the Watch Committee/National Indications Center operations, automatic data processing does not now offer significant aids to the warning process.

J. RECOMMENDATIONS

[] The study recommends the following:

1. NSAM 226 and DCID 1/5 should be broadened to reflect the current world situation and should be fully implemented if the current WC/NIC structure is retained. *to*
2. The warning function should monitor a broader spectrum of critical developments, incidents and crises (in terms of both geography and time). *to*
3. A more formal requirements mechanism should be created to assure continuous receipt of all relevant information by the National Indications Center.
4. State Department representatives should be added to the NIC.
5. Formal liaison should be established between the NIC and the J-3, including the NMCC.
6. Studies should be conducted to assist in selecting among the alternative organizational changes, for example:
 - An assessment of the needs of policy makers in the warning process.
 - A review of all information sources which might contribute to warning.
 - An examination of the national watch centers and their communication networks.
 - The development of formal procedures to assure that increased capabilities made possible by technological advances are fully exploited in the warning process.
7. Internal changes should be made to increase the operational effectiveness of the National Indications Center under its present charter, for example:
 - A dedicated and secure voice conferencing net should be established linking the National Indications Center with the watch centers of the Watch Committee member agencies as well as to the National Military Command Center.

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- Conferencing procedures should be established for the above with the NIC as the conference coordinator.
 - A capability should be acquired for secure long-distance electrical transmission of written materials and graphics.
 - The National Indications Center should add a research program on indications and warning.
8. Experiments should be conducted on the indications process, for example:
- The reliability of the current filtering process should be tested.
 - The analytical process should be examined by comparing the results of different groups of analysts working independently on the same information.
 - Information extraction techniques should be applied to information about past crises in order to test the applicability of data processing.

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